

S. 1989 AND H.R. 4077: THE HONEST ADS ACT

In October and November 2017, several congressional committees held hearings on the growing national security threat on the use of online advertising by malicious foreign actors. The reach of large online platforms has greatly facilitated the scope and effectiveness of disinformation campaigns by foreign actors. During the 2016 elections, groups linked to the Russian government spent hundreds of thousands of dollars on political advertising that was potentially seen by tens of millions of Americans.

The Honest Ads Act — introduced as S. 1989 in the Senate by Amy Klobuchar (D-MN), Mark Warner (D-VA) and John McCain (R-AZ) and as H.R. 4077 in the House by Derek Kilmer (D-WA) and Mike Coffman (R-CO) — seeks to combat the problem of hidden foreign disinformation campaigns by implementing a disclosure system for paid, online political advertising. This bipartisan, bicameral legislation is intended to be a carefully crafted first step to stop foreign interference in U.S. elections.

Problems with the current law

While it is already illegal for foreign entities to spend money to influence an American election, directly or indirectly, the unfortunate truth is that our 20th century laws are outdated and overmatched by the 21st century realities of political campaigns. Advertising disclosure rules are mainly focused on television and radio advertisements, and even the barest disclosure requirements that online ads are supposed to be subject to — disclaimers on the ad itself stating the name of who paid for the communication — are very narrow and have not been enforced by the Federal Election Commission (FEC).

Now that paid, online political advertising is a major component of campaigning, with some estimates that it exceeded \$1.4 billion during the 2016 cycle, there is a gaping hole in the disclosure system that can be exploited by malicious foreign actors. As the hearings revealed, this is not just an idle fear. For example, groups linked to the Kremlin interfered in the 2016 election in a variety of ways:

- ▶ **The Internet Research Agency** — a notorious “troll farm” — spent more than \$100,000 on approximately 3,000 Facebook advertisements linked to the election and divisive social issues that reached approximately 126 million users in the United States — over 40 percent of Americans.
- ▶ **Google** sold at least \$4,700 worth of ads to accounts believed to be connected to the Russian government. The company also found that, in the run-up to the election, 18 YouTube channels tied to Russian trolls uploaded 1,108 videos, which were viewed approximately 309,000 times.²

“In the wake of Russia’s attack on the 2016 election, it is more important than ever to strengthen our defenses against foreign interference in our elections. Unfortunately, U.S. laws requiring transparency in political campaigns have not kept pace with rapid advances in technology, allowing our adversaries to take advantage of these loopholes to deceive millions of American voters with impunity.”

Senator John McCain (R-AZ)³

Under the current system, since online ads can be targeted to a specific group of users, they are often hidden from the public at large. Not being able to see the advertisements until after they are placed has kept both the government and watchdog organizations in the dark and has hamstrung the ability to investigate whether the ads were impermissible foreign election interference.

Creating tools to detect and stop foreign influence: The Honest Ads Act

The Honest Ads Act seeks to combat the problem of hidden foreign influence by implementing a commonsense disclosure system for paid, online political advertising, closely modeled on longstanding Federal Communications Commission (FCC) rules for paid political advertising on television and radio. The act addresses deficiencies in political disclosure rules that allow foreign actors to influence American politics anonymously through paid online advertising.

“The American people deserve to know who is trying to influence our elections. Our bipartisan bill makes sure our laws are as up to date as the latest technology, and makes it harder for foreign actors to use the internet to attack our democracy.”

Rep. Derek Kilmer (D-WA)⁴

How the Honest Ads Act (S. 1989, H.R. 4077) addresses the problem:

- ▶ **Require a public political file.** The largest online platforms — such as a social network, ad network or search engine like Facebook, Google or Twitter — would be required to obtain and publicly disclose information from the purchasers of paid, online political advertising, including the name of the person or group who bought that advertisement, the rate charged, a description of the targeted audience and the date and time the advertisement was first displayed.
- ▶ **Ensure everyone can see the ads.** The platforms would be required to make a copy of the advertisement publicly available. Ads foreign entities place seeking to interfere with American elections would no longer be hidden from the public.
- ▶ **Establish reasonable thresholds.** The political file rules would apply to any candidate, political party, individual or group that spends \$500 or more to purchase political ads on an online platform if that platform has at least 50 million unique monthly visitors in the United States. Like the FCC rule it is modeled after, the political file system would apply to ads relating to candidates as well as ads dealing with national legislative issues of public importance.
- ▶ **Standardize disclaimer rules.** The legislation would clarify that paid, online political advertising relating to federal elections is subject to the same disclaimer requirements as political ads in other formats. Under the act, paid online political ads would need to identify — in each ad — who sponsored the advertisement.

It is undeniable hostile foreign powers are intent on hijacking the avenues Americans use to communicate, organize and debate with each other. The goals of the Honest Ads Act are to provide the tools necessary to bring more transparency, accountability and integrity to our political system.

¹ Campaigns & Elections, <http://bit.ly/2yezPf2>

² Recode, <http://bit.ly/2ydZ5C3>

³ McCain.Senate.Gov, <http://bit.ly/2yeOj6J>

⁴ Kilmer.House.Gov, <http://bit.ly/2yfnDe4>